

STATE OF VERMONT  
HUMAN SERVICES BOARD

In re	)	Fair Hearing No. 15,970
	)	
Appeal of	)	
	)	

INTRODUCTION

The petitioner appeals a decision of the Department of Social Welfare finding him ineligible for Medicaid and VHAP benefits due to excess income.

FINDINGS OF FACT

1. The petitioner is a single disabled man who receives Workers' Compensation benefits of \$1,040.60 per month. He applied for both Medicaid and VHAP benefits during April of 1999.

2. On May 3, 1999, the petitioner was notified by the Department that he was ineligible for Medicaid due to excess income. His benefits were compared to the \$691.00 maximum for a one person assistance unit and found to be in excess by \$349.60 per month. The petitioner was also notified that he could be eligible for Medicaid once he had met a "spend-down" figure of \$2,097.61 for the period from June 1, 1999 through December 1, 1999 which represents the difference between the maximum allowed monthly figure and his actual monthly income, multiplied by a six month accounting period.

That figure was reduced to \$840.38 when the petitioner produced an outstanding unpaid medical bill of \$1,041.22 and after over the counter medications had been projected at

\$216.00 for the six month period.

3. On May 4, 1999, the petitioner was notified that he was over income for VHAP benefits due to excess income.

4. The petitioner does not dispute the amounts used for his income nor the amounts deducted from his spend-down.

Rather, he believes the Department should take into account his other expenses, particularly a loan he continues to pay for a vehicle (\$285.00 per month) which was destroyed in an accident. He was unsure of his other expenses and was given two weeks' time to submit them in writing. However, a month after the hearing, he still had submitted no additional information.

#### ORDER

The decision of the Department finding the petitioner ineligible for VHAP and Medicaid benefits is affirmed. The amount of the petitioner's Medicaid spend-down should be amended to read \$720.38, instead of \$840.38.

#### REASONS

The petitioner's Workers' Compensation benefit is unearned, countable income under both the VHAP and Medicaid programs. W.A.M. 4001.81(b) and M242(1). Under the VHAP program, the petitioner is eligible for no further deductions or disregards before his income is compared to

the maximum amount (the protected income level).<sup>1</sup> There are no provisions in the VHAP regulations for the reduction of income based on household expenses or vehicle payments. The maximum for a one person assistance unit in the VHAP program is \$1,030.00 per month. P-2420 (B)(3)(A). The petitioner is ten dollars over this income limit.

The Medicaid program uses the same unearned income but subjects it to a \$20.00 per month disregard. M243.1(2). In this case, that would reduce the petitioner's countable income to \$1,030.60 per month. It does not appear that the Department subjected the petitioner's income to this disregard. Even if it had done so, the figure is still in excess of the Medicaid maximum for a one person assistance unit of \$691.00 per month. P-2420(B)(3). However, the amount of the spend-down is affected by the failure to deduct the \$20.00. Over a six-month period that deduction would reduce the spend-down by \$120.00. Therefore, the petitioner's spend-down should be \$720.38 for the six-month period.

There are no deductions in the Medicaid program for household or car expenses. Since the Department followed its regulations in calculation the petitioner's ineligibility, its finding on those counts should be

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<sup>1</sup> The only possible deductions are an earned income disregard and dependent care deduction for those who are working. W.A.M.4001.81(e) and (f).

affirmed. 3 V.S.A. § 2091(d), Fair Hearing Rule 17. The calculation of the spend-down is not in accord with the regulations and must be amended consistent with those rules.

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